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United States  
Department of  
Agriculture

Office of  
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# Speeches and Major Press Releases

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# Speeches

U.S. Department of Agriculture • Office of Governmental and Public Affairs

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Remarks prepared for delivery by James C. Webster, Assistant Secretary for Governmental and Public Affairs, at the Southeastern Information Officers of State Departments of Agriculture meeting, Harpers Ferry, W. Va., July 29, 1980 [2],

As information officers, you don't need me to tell you what kind of an energy situation American farmers are facing. You already know.

You've been seeing farmers get squeezed between falling commodity prices and rising production costs. And you know that most of those production cost increases are directly attributable to the rising cost of energy.

Energy in fuel, fertilizer, and agricultural chemicals is the largest production cost facing farmers today. Over 20 percent of a farmer's expenses are energy-related.

This year, farmers will use more than 8 billion gallons of petroleum-based fuel to grow, harvest, and transport crops. Over 90 percent of the energy consumed on farms is from petroleum--a dependence almost 20 percent larger than other segments of the economy.

But the rest of the economy is also suffering from an overdependence on oil--so much so that this year's oil import bill is going to top \$90 billion.

That kind of a bill wipes out the agricultural export gains that you and your state marketing directors work so hard to achieve. It keeps farmers from realizing any income gains that increased production might have provided. And it hamstring the federal government's efforts to control inflation, and promote economic growth.

There is no question that when we are talking about the energy situation, we are talking about a crisis. You know it, I know it, and our clients--American farmers--know it.

The question is, what are we doing about it?

One remedy is coming from farmers themselves. They've been saying that farmers can grow enough crops not only to feed people, but to boost fuel supplies as well. Farmers also say those fuel supplies can be produced at little or no more cost than the price of producing gasoline.

We've been listening to these arguments in favor of stepping up gasohol production, and we're impressed. Gasohol production looks a

lot more attractive now, when oil is costing about \$28.50 a barrel, than it did just last year when a barrel of oil cost only about \$13.

The President is impressed enough to have directed that this country's gasohol-producing capacity be increased to 500 million gallons by the end of next year. That's more than six times what was being produced at the beginning of this year, when the President announced that goal.

To help in reaching that objective, USDA has worked out a six-point alcohol fuels program. This program includes research and development, technical assistance, and financial incentives for the construction of commercial and small-scale alcohol facilities.

Some critics think this is just a hastily-devised scheme designed to find some way to use the grain that was affected by the Russian grain embargo. Not true.

The alcohol fuels program reflects a major, long-term policy change at USDA. When it comes to making policy, the production of farm commodities for alcohol feedstocks no longer takes a back seat to the production of commodities for food and fiber. Both of these efforts are now major objectives of U.S. agricultural policy.

The push to produce more gasohol is just one element of a multifaceted energy program--a program which is a result of President Carter's three year struggle to set a national energy policy for this country.

One feature in the President's program eliminates the controls that have discouraged exploration for new oil reserves. This action will trigger production that could help us produce more than one million barrels of oil a day by 1985.

Another component of the program concentrates on developing our other energy resources such as coal, biomass, peat, and oil shale. Utilities will be required to cut their current use of oil in half by 1990, and they will be encouraged to invest in non-oil fired generators. This part of the program also is designed to stimulate production of synthetic fuels and unconventional gas.

The catalyst for the entire program is the windfall profits tax. This tax will generate billions of dollars that the government, through the Energy Security Corporation, will channel into the private sector as incentives to develop alternatives to oil.

Some of the effects of this program will be felt in a few months. Some will take longer. All will be instrumental in weaning this country away from its dependence on foreign oil, both in the near term and the long term.

But there is something else we can do--something which will bring us results now, and without any of the negative effects of other energy sources. It's probably the cheapest, safest, and most productive source

of energy readily available to us.

It's called conservation.

For all the good it can do, conservation hasn't gotten nearly the attention or emphasis it should. When compared with some of the other available means of securing fuel, conservation sounds downright dull.

In most energy speeches, conservation merits no more than a brief, timid mention at the end of a long glamorous list of how we can rid ourselves of OPEC.

Some experts won't talk about conservation at all. Daniel Yergin, co-author of the Harvard Business School study "Energy Future," describes one such expert, "a distinguished legislator who has never given a speech on conservation." When asked why this was the case, one of his aides replied that a conservation speech "would either be filled with platitudes or be so specific that everybody's nose would fall into his Rice Krispies."

Why should this be the case?

Yergin thinks that conservation simply lacks glamour. Conservation, he says, doesn't lend itself to the technological blitzes that we've employed in the past to solve our problems. Conservation is prosaic, even boring--and its lack of drama not only has failed to interest the public, but the scientific community as well.

However, there is evidence that this attitude has begun to change among the public. Demand growth for energy is slowing down. Within the last year, gasoline consumption dropped 8.5 percent. And in 1979 Americans cut overall oil consumption by 5 percent.

But much more oil and energy can be saved. In the next 25 years, the United States could meet all of its new energy needs simply by improving the efficiency of existing uses. The authors of "Energy Future" believe that a true commitment to conservation could cut energy consumption in this country by 30 or 40 percent--with virtually no change in our standard of living.

The trick may be to build on the conservationist spirit that already has taken hold of Americans. This is something that we as information officers can play a leading role in. What's more, we've got a Presidential mandate to do it.

Last Tuesday, President Carter announced a series of new initiatives designed to give Americans new opportunities and incentives to conserve energy at home and on the farm. This was the second step in an effort to dramatize the need to conserve energy, as well as how conservation can benefit our economy and improve our national security.

The President recognizes that farmers have already played a leading role in reducing energy waste. He's asking them to continue that



leadership role by employing proven conservation practices to cut energy use an additional 5 percent. In addition, he has asked farm organizations to involve at least 25 percent of their individual members in conservation activities.

A Presidential award for energy efficiency will be given to groups or individuals who show exceptional initiative or leadership in energy conservation, or in developing alternative sources of farm energy.

USDA offers several programs to encourage these activities. These include:

- the new Energy Resource Conservation Loan program, which allows rural electric cooperatives to make low interest loans for weatherizing farm residences and other buildings;
- Farmers Home Administration loans for weatherizing existing housing, purchasing energy-generating equipment, and build facilities that either produce or conserve energy;
- technical assistance from the Soil Conservation Service and the Forest Service;
- direct loans to farmers to purchase solar collectors;
- research by the Science and Education Administration on energy conservation.

Information officers can play an enormous role in ensuring the success of the President's program. We can bring to farmers the information that will help them save energy: information about weatherization, solar application, minimum tillage and integrated pest management, to name a few areas. We can bring to livestock and poultry producers information on biomass conversion processes. We can help farmers explore alternative energy systems such as a wind-powered system. We can help those farmers who need to irrigate their crops save energy by improving pump maintenance.

The potential for energy savings in agriculture is limited only by the ingenuity of America's farmers. We can be catalysts for that ingenuity.

In short, we can make the difference.

We could say that farmers have done enough, and wait for that Manhattan Project, or man-on-the-moon type of effort which too many Americans have hoped would rescue them from energy shortages and high fuel prices.

Or, we can roll up our sleeves and map out ways to bring to farmers the knowledge that will help them to cut their energy use another 5 percent, and help the rest of the country to meet its future energy needs with its present resources.

If we opt for the latter alternative, we can help reduce this country's energy appetite with virtually no change in our lifestyle: except that farm income will rise, our national trade account will be brought into



balance, our dollar will be stronger, and the inflation rate will be a shadow of what it once was.

Those are changes that I, for one, would welcome.

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# Speeches

U.S. Department of Agriculture • Office of Governmental and Public Affairs

Remarks prepared for delivery by M. Rupert Cutler, Assistant Secretary for Natural Resources and Environment, to the Michigan State Forestry Planning Commission, Lansing, Mich, July 28, 1980.

## THE PUBLIC SIGNIFICANCE OF PRIVATELY-OWNED FORESTS.

While I'm sure the final draft of the Michigan Interagency Agreement on Cooperative Forestry would have been approved by all parties without my involvement, I am pleased to be able to be here in person to participate in the last stage of this important process in my home state. Witnessing the approval of this agreement--the result of a USDA project of great importance to me--will be my last official act before I move to New York City to serve on the executive staff of the National Audubon Society.

One of my first acts as Assistant Secretary 3-1/2 years ago was to call for a national interagency agreement on forestry technology transfer roles and responsibilities, so it's appropriate that I go out on the same theme!

This Michigan agreement is a logical outcome of the series of conferences held around the country by the National Association of State Foresters and the Forest Service. The objective was to agree on the problems of increasing the productivity of private nonindustrial forest land and what could be done about it.

This agreement should enable the state of Michigan to provide the types of actions needed to bring the private nonindustrial component fully into the production picture, consistent with the management objectives of each landowner. That will reduce pressure on both state and federal land to produce commodities and services for many purposes.

Michigan's pattern of forest ownership dramatizes the importance of tapping the full potential of private nonindustrial forest land. It reflects the general pattern across the country. Most forest land here is in private nonindustrial ownership--10.5 of the 19 million forested acres, or 55.3 percent of the total forested land in the state.

At the national conference on private nonindustrial forests in Washington last November, I said the Department of Agriculture is committed to work more closely with all interested parties to boost production from these forests. This commitment is being kept in several ways.

One is to complete our National Agricultural Lands study by next January. We're already finding that current tax policies apparently pose major roadblocks in our efforts to get the most out of private nonindustrial lands. When the study is completed, it may well provide some ammunition in the fight for tax relief for private forest owners.

Our interest in forestry incentives is additional evidence of our commitment. We agree with you that small woodlot owners need both technical and financial assistance to effectively manage their holdings. Your Department of Natural Resources has come up with an excellent forestry incentives program. On a national scale, our forestry incentives program, administered by the Agricultural Stabilization and Conservation Service, is a cost-effective timber production program which needs only a little bit of fine-tuning to continue to be of maximum assistance to woodlot owners.

We shall continue to secure as much funding as possible for the Forestry Incentives Program and the Agricultural Conservation Program. We also will continue to use every authority we have to help landowners finance site preparation, reforestation and timber stand improvement. Michigan can be proud of its record of support for these programs.

Another major interest expressed at the private forestry conferences was the need for increased marketing information and assistance. The Forest Service has taken the lead in initiating a national price reporting system, which provides a market news service for timberland owners. This is being tested now in the south by the Extension Service, working through county agents. As soon as the system is reliably established, we will consider expanding it to other parts of the country.

The reports made at the regional conferences called for further development of landowner associations, to fill a wide variety of needs. We intend to work with national associations, with state foresters and with Extension personnel to promote the establishment of such landowner associations, some of which might parallel industry's "Operation Woodchuck" here in Michigan.

The conference reports described an urgent need for more technical assistance, education and information to nonindustrial forest owners. They identified a large number of very specific needs, many of which point up the value of information and guidance delivered by a professional forester. Land-owners need help with on-the-ground problems of site preparation, tree planting, release, timber growth, thinning, integrated pest management, logging and marketing.

For years, technical assistance, education and information services to private landowners have been cooperative efforts of federal and state agencies, the forest industry and private landowners. Public funds going

into the effort have been modest, but the results have been outstanding. For example, during the past 25 years, the annual growth of both softwoods and hardwoods on nonindustrial private lands has nearly doubled.

Extensive fire protection, combined with a modest program of reforestation and technical assistance from both public and industry sources, have been responsible for this growth. The capability of state forestry programs, such as yours, has improved markedly. And new technology for more complete utilization of the timber we grow and harvest also has contributed to the favorable growth-harvest balance.

As I understand it, your harvest-to-growth rate here in Michigan is only 40 to 50 percent. That potential surplus supply will clearly be needed, because on a national basis harvests on forest industry-owned lands are exceeding growth, and opportunities to increase national forest harvests are limited.

Future technical assistance, education and information programs should be designed to bring about more effective management and to enable us to realize the production potential of private lands. We ought to begin now to step up the amount of management planning assistance to private forest landowners. This will require a joint effort by state foresters, the U.S. Department of Agriculture, the Extension system and the private sector. Our interagency agreement paves the way for such a joint effort.

The Department of Agriculture has set a goal to develop management plans for 400,000 private nonindustrial landowners each year by 1985. This is reflected in the Forest Service's Renewable Resources Planning Act Program, just updated for 1981-1985.

In reaching for that goal, Michigan obviously is doing its part, with its goal of 11,050 plans this year, which it appears you will achieve.

Management for both softwoods and hardwoods should be encouraged, but the management needs are quite different. With softwoods, it is likely the current rate of regeneration can't sustain projected forest yield.

Therefore, promotion of reforestation is essential, together with improvements in the investment environment that will make softwood regeneration an attractive private landowner enterprise. That reforestation should be done with genetically improved stock. It is our hope in the Department that within 10 years, every tree seedling planted will be from improved stock.

For hardwoods, technical assistance, education and information has to be focused on increased harvests. We need new hardwood products, new logging and manufacturing processes and new markets. This goal



of greater use is being served by the three major industrial expansions being carried out by Weyerhaeuser, Meade and Champion here in Michigan. They all involve the use of hardwoods.

To carry out the expanded assistance programs needed for both softwoods and hardwoods, everyone must lend a hand--the states, the federal government, universities, industry, consultants and landowners. But the states have the primary role--their agencies must provide the key support and leadership.

The federal government will carry its share of the costs of planning and technical assistance, but the work itself will be done principally through the state forester and the state extension director, supplemented by direct ASCS and Soil Conservation Service efforts with landowners.

The key to success in attacking all these and a myriad of related problems and opportunities is the team approach. We must integrate our forestry information delivery and assistance efforts. Only if Extension, the Forest Service, SCS, ASCS, state forestry representatives, private forestry consultants and industry work as a team will this job get done. The present confusion over "who does what with whom" must be taken out of the "delivery system" to the private landowners. The agreement we ratify here today is an important step in that direction.

It is an important contribution to the national effort as well, where coordination and cooperation are even more of a challenge. The broad national directions for forest planning and management provided by recently enacted federal forest land management planning legislation will be only as effective as the support given it by the states. Michigan's recent forest resource assessment and the state plan being developed leave no doubt as to the excellence of this state's support.

The interagency agreement being approved here will help assure a strong link among the national, regional, state and forest plans. Through federal, state, university and industry cooperation, we will be able to provide the assistance and knowledge which forest landowners need to assure income for themselves, as well as needed forest products for the nation.

Our private nonindustrial forest landowners are stewards of a vast and extremely important natural resource. How they carry out that stewardship role will be a key to this nation's future well-being from the standpoints of both forest product availability and rural environmental quality. We must do our best in both state and federal agencies, to help open the door to a future of plenty rather than of shortages, which will result if we continue present levels of investment in private nonindustrial forestry assistance programs.

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# Speeches

U.S. Department of Agriculture • Office of Governmental and Public Affairs

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Remarks prepared for delivery by Joan S. Wallace, Assistant Secretary for Administration, at the Fifth Institute on Social Work in Rural Areas, Burlington, Vt., <sup>emmet</sup>July 29, 1980.

## NOW IS THE TIME

The other day my son was listening to Larry Graham's popular recording, "One in a Million." And though I must admit that I have never understood how most popular songs make it to number one, I found myself taken in by a catchy tune on the flip side of the album. The words went:

There's a time for everything under the sun

There's a time for work and time for fun.

There's a time for everything from A to Z

and there's sometime for everything as you can see.

Today is the time for us to look at our national situation. We are a nation of urban and rural residents. However, because most of our social problems occur in densely populated urban areas, we have for a long time benignly neglected the problems of rural America.

From 1945 to 1970 more than 20 million people left their rural homes to live in cities. During the 1970's, that migration trend reversed, and people began to return to rural areas in large numbers. Rural growth doubled the rate of urban growth.

Because rural America is such an integral part of our economy and society--it provides our nation's food and fiber, and accounts for most of our domestic mineral and energy supply--we must enter this decade determined to help rural America take on its problems.

Now is the time to find answers for "those who were left behind,"...for "the forgotten poor"...for the "isolated indigent"....

Now is the time to wipe out the inequities between urban and rural America.

An assessment of the current status of rural America must start with the fact that the quality of life there has improved. Many residents of rural America are now able to find more and better employment opportunities. Nevertheless, despite some improvement, and despite the fact that only about 25 percent of our nation's population lives in rural areas, still 40 percent of our nation's poor and 50 percent of poor-grade housing were still located in rural America at the end of 1977. Income is also lower in rural areas for all major racial ethnic groups.



Unlike densely populated urban areas where target groups are close to each other, the rural population is often widely dispersed. So-called centrally located public facilities are often equally inaccessible to all segments of the population. The problem is exacerbated by inadequate public transportation systems.

Therefore, strategies used in public programs in urban areas are often inappropriate in the rural setting. Administrators must tailor programs to rural America's special needs.

Effective outreach is essential. Eligible participants must be informed about the programs. Rural governments may not have the expertise to handle the paperwork requirement in grantsmanship or the capacity to absorb public service program workers (CETA) into their workforce.

Many people think that being poor is simply being poor--that the problems of the poor are the same despite the place of residence.

While urban poor families are often headed by females or unemployed workers or persons not in the labor force, this is not true of the rural poor.

Poor rural families are often active in the labor force. Twenty-five percent of poor rural families are headed by a full-time worker, and almost one-third have two or more workers in the family. In contrast, only 16 percent of urban poor families have two or more workers, and almost half have no workers at all. Rural poverty, then, is not necessarily the result of unemployment.

Rather, it reflects the relatively low level of wages or the part-time nature of many jobs available in rural labor markets. This, in turn, is often a function of limited skills and training or inadequate education.

There is a strong parallel between the educational level of the rural labor force and its low income level. True there have been tremendous strides in formal educational training in the rural areas. Nevertheless, when contrasted with the same kind of training in urban areas, there is much room for improvement.

Rural students are more likely to enroll in school later, progress slower, and complete fewer school years. In 1975 only about 50 percent of the rural population 25 years and older, had completed high school. This compared with 65 percent in urban areas.

Another problem facing rural America is the lack of adequate health care facilities. The quality of available health care is directly related to the amount those needing it are willing and able to pay. At today's prevailing prices, it is no wonder that rural Americans receive limited health care services.

The physician shortage is more acute in rural than urban areas. There are, for example, almost five times as many people per doctor.

Rural health care facilities are usually not close by those needing them. The sick travel longer distances for health care, emergency health services are inferior to those in urban areas, and more likely than not, there is no comprehensive approach to health.

Rural areas have 58 percent fewer physicians, 38 percent fewer dentists, and 29 percent fewer nurses on a per capita basis. Thus, rural Americans suffer a higher incidence of chronic disease and lose more days from work due to illness or incapacity than their urban counterparts.

Not to be overlooked or understated are the terrible circumstances under which the rural poor subsist. Housing conditions in rural areas have long been inadequate. Though many improvements have been made--especially in the seventies--there is much to be desired.

In an era when two and three car families are common, there are still homes in rural America that have no plumbing.

Three times more rural housing units than urban lack complete plumbing. Over 2 million rural Americans do not have running water in their homes; over 4 million have inadequate sewage disposal systems or none at all; and many rely on sources of drinking water that fail to meet safe drinking water standards.

In spite of programs designed to eliminate inadequate housing, the problem persists. Many of those in most need of assistance and for whom these programs are specially designed are unaware of the available opportunities. Similarly, many in need of income maintenance and social services are unaware of their existence.

President Carter, who is a farmer, has noted the "urban bias" in services. Last spring the President drafted a small community and rural development policy. He noted that the problems I've mentioned and others of comparable severity are further compounded by the limited capacity and resources of local governments to respond. Whether small community needs are those associated with growth or with decline, they pose special problems for local governments.

About one quarter of all rural people live in or near towns of less than 2,500; three quarters live in or near towns of less than 20,000. Given their small population bases, most small rural governments are limited in the array of public services they can provide.

Large scale urban-oriented technologies are often not economically feasible when applied to small towns and rural areas. And while the range of public services offered by rural governments is more limited, the per unit cost of providing these services is usually higher.

Many small towns remote from Washington and from their own state capitals lack the grantsmanship often required to compete

successfully for limited federal and state assistance. This difficulty is compounded by the fact that many federal programs are geared to big cities.

As a result, such programs frequently demand criteria that hinder access by small communities. Even when assistance is available, the lack of fiscal resources makes it difficult for many small communities to match federal grants and to repay loans.

Even small communities now experiencing economic growth are finding that growth brings a new set of problems. Many communities are unprepared for the necessary economic and social adjustments. Changing demographic and economic patterns not only exacerbate chronic and deep-seated problems, but often create new ones.

Some of the problems are already apparent. Because of rapidly escalating property values and taxes, too many rural families on low and fixed incomes are in danger of losing their land and homes.

The growth in residential, commercial and industrial land use is costing us our prime agricultural land. The influx of new residents--especially when it escalates to "boom growth"--makes it difficult for local governments to provide essential and timely public services.

As Secretary Bergland's representative on the youth employment task force and the President's Manpower Commission, I noted that most participants talked only about urban unemployment. I heard Secretary Bergland speak of mechanization displacing numerous farm workers. Because I could not believe the lack of information on problems of rural youth, I called a conference last fall to look at the problem. I learned that 900,000 young people were unemployed. Applied to the rural labor force, the unemployment problem is 2.5 times greater. Just like urban America!

Now--right now--is the time to bridge the gap in the living standards of rural and urban America.

The federal government is already taking major steps in this direction. Federal housing policies designed to enable all Americans to live in safe, decent, and sanitary housing conditions have been established. Mortgages for low income families guaranteed and issued by the Federal Housing Administration (FHA) and the Veterans Administration (VA) have boosted home purchases.

Four U.S. Department of Agriculture agencies are working to alleviate the problems of rural America.

We are, for example, targeting resources to the poor and encouraging other development institutions to contribute to community-based projects that benefit the disadvantaged.

We are conducting research to support new policies that would

expand economic opportunities and increase access to needed social services.

Our Food and Nutrition Service has issued new regulations for the food stamp program.

We have revised the commodity distribution program to better serve needy families on Indian reservations.

A major demonstration of the supplemental feeding program for women, infants and children (WIC) is now underway to reach eligible women and children who are migrant farmworkers.

USDA is also working to meet the needs of the rural poor through employment opportunities and economic development.

These include small farm conferences to give small farmers a forum for voicing their concerns and an economic development demonstration program led by the White House. This program is based on the recognition that federal construction projects can have a significant impact on human, economic, and community development.

USDA's extension group is working on ways to provide management assistance to farm owner borrowers. We are aware of the great need for improved credit and capital access for minorities and for rural business development in rural areas.

USDA has also increased the number of public service employment opportunities in non-metropolitan areas over the past two and a half years.

The Carter administration is aware that changes in rural America require a new approach and new programs. For that reason the administration has developed a small community rural policy based on conscious and sustained effort to ensure the wise use and continued productivity of America's natural resources.

We are aware that a forward looking policy is essential to manage the effects of economic and demographic changes so that individuals and communities can solve their problems and capitalize on their opportunities.

We must assure that, to the maximum extent our resources allow, we address the basic unmet human needs and redress the inequities.

We must provide good jobs, livable incomes, decent housing, a healthy environment, dependable energy supplies, and other basic needs to small communities and rural areas.

We need clear policy direction, one combining current federal efforts with future policy needs.

We need to improve our rural data base to assure that diverse rural perspectives are represented.

As a part of these guidelines, we are directing federal administrators



to manage their programs in ways that recognize local priorities and encourage local decision-making. We are making federal investments that complement state-local development plans and priorities and using federal assistance to help leverage private sector investments in rural community and economic development projects and programs.

We are directing federal assistance to disadvantaged persons and distressed communities, and making federal programs more accessible and better adapted to rural jurisdictions and circumstances.

We are also trying to provide local citizens and their leaders with the assistance needed for effective community decision making and development.

What role can social workers play?

Much of the solution to rural problems can be found through social work education. That is why social work students must have generic knowledge of rural environments and their problems. Stress must be placed on the small town ethos, understanding that townsfolk prefer local control with minimal government involvement.

Students must have a working knowledge of the importance placed on family life and other primary institutions. Emphasis must be on these institutions as the focus of all rural activities.

They must be able to communicate effectively with the rural community and be able to deal with traditional barriers such as the local power structure, which could prevent delivery of specific services.

Social workers can also help by encouraging more students to enter rural social work. Only 4 percent of social workers with a masters degree in social work practice in communities of 4,000 or less. Social students placed in rural agencies can familiarize themselves with the power structure, community leaders, the educational system and the specific problems of that rural area. This exposure would likely increase the number of qualified rural social workers and ultimately mean more and better services to the rural population.

James Eaton of the University of Pittsburgh School of Social Work suggests that social workers in major cities become informed of the grave need for rural social workers. He believes that with proper orientation and sufficient knowledge many social workers in major cities would choose rural assignments.

Rural social workers are needed in quantity and quality. They must be present in rural areas, they must make their presence known, and they must take leadership roles in implementing programs offered by government agencies.

They must take the lead in exploiting--that's right, exploiting--all resources in an attempt to deliver the best possible services.

Now is the time to use creativity. Recently the residents of South Guthrie, Tennessee, were fed up with their community's 100-year history of flooding. So, they met together and plotted a solution to their problem. They contacted USDA, the Department of Housing and Urban Development (HUD), and the Tennessee Valley Authority (TVA). Through their combined efforts, they got a drainage system installed, and a new water system which included running water. USDA's Farmers' Home Administration (FmHA) provided low cost housing and HUD provided the town with a community center. A social worker with initiative and creativity could have moved this project along.

Now is the time to coordinate efforts with rural educational systems. Our primary goal is to increase employment. Therefore, we must be certain that the schools produce employable graduates and provide them with skills necessary to function well in our society.

Now is the time for all of us, as American citizens, to come together in partnership with federal, state, and local governments, and with the private sector to commit ourselves to:

Meeting the basic human needs of rural Americans.

Providing opportunities for rural people to be fully and productively employed.

Providing a favorable climate for business and economic development.

Addressing the rural problems of distance and size.

Promoting the responsible use and stewardship of rural America's natural resources and environment while preserving the quality of rural life.

In the book of Ecclesiastes, the third chapter, verses 1 and 8 read: "To everything there is a season, and a time to every purpose under the heaven.... A time to love, and a time to have; a time of war and a time of peace." Now is the time for us to bring help and support to rural America.

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# Press Releases

U.S. Department of Agriculture • Office of Governmental and Public Affairs

## HIGHLIGHTS OF SECRETARY AGRICULTURE BOB BERGLAND'S JULY 28 PRESS BRIEFING

(Held following President Carter's announcement of increases in 1980 grain loan rates.)

The White House announced the following 1980 per-bushel loan rates:

GRAIN	NEW LOAN RATE	OLD LOAN RATE
Wheat	\$3.00	\$2.50
Corn	\$2.25	\$2.10
Sorghum	\$2.14	\$2.00
Barley	\$1.83	\$1.71
Oats	\$1.16	\$1.08
Rye	\$1.91	\$1.79
Soybeans	\$5.02	\$4.50

A new farmer owned reserve program for food quality wheat will be offered with a release price of \$4.20 compared with current reserve release prices of \$3.50 and \$3.75.

The new release prices for other grains (with old figures in parentheses) are: corn, \$2.81 (\$2.63); sorghum, \$2.68 (\$2.50); barley, \$2.29 (\$2.14); and oats, \$1.55 (\$1.35).

The call price for the new wheat reserve will be \$5.25 per bushel, compared with current call prices of \$4.38 and \$4.63. The new call prices for other grains are: corn, \$3.26; sorghum, \$3.10; barley, \$2.65; and oats, \$1.68.

### REASONS FOR THE ACTIONS

1. to reflect increases in farmers' operating costs.
2. to help protect reserve grain stocks in the face of the considerable uncertainty caused by recent weather conditions.
3. to help farmers obtain a return that will cover their costs.

### IMPACT OF THE ACTION

1. Cash receipts to farmers will be about \$900 million higher, with wheat prices up about 20 cents per bushel and corn up 5 to 10 cents.
2. Export receipts will be about \$500 to \$600 million higher.

3. Consumers of wheat products will pay about \$150 million more for those products (less than 0.3 cents per loaf of bread).
4. Net taxpayer costs will total less than \$100 million.

## **CONDENSED QUESTIONS AND ANSWERS FROM SECRETARY BERGLAND'S PRESS BRIEFING:**

**QUESTION:** It wouldn't seem to me this [action] would have a significant immediate impact on market prices. Do you agree?

**ANSWER:** [This action] is designed to provide farmers with a means by which they can retire their immediate operating expenses. The real operating mechanism in all this is the farmer-owned grain reserve. This is truly a self-help program. The more traffic in that program, the higher the price of grain will go.

**QUESTION:** [Would there] be an immediate, near-term price impact or would you see that as [happening] several months ahead?

**ANSWER:** I would think it would start almost immediately. . . . I would not predict it would change a whole lot either way, but it will provide farmers with the tools they need to market grain in an orderly fashion.

**QUESTION:** What will be the budget impact?

**ANSWER:** The total package may add about \$1 billion in loans and other costs. All but about \$100 million of that total will be repaid with interest . . . so the net cost over the life of these programs is not expected to be more than about \$100 million.

**QUESTION:** What portions of this package are immediate [and] which ones would be phased in over a period of time?

**ANSWER:** The loan rates go into effect as the new crop comes on line. The 1980 crop wheat is already being harvested and so will be eligible for the new numbers as quickly as the rules can be implemented. The 1980 crop year . . . for corn and sorghum [begins] Oct. 1 . . . barley and oats, June 1 and soybeans, Sept. 1.

**QUESTION:** What about those who have already taken out their loans at a lower level? Will they automatically get the new level?

**ANSWER:** They'll have the option of taking the new higher level.

**QUESTION:** [USDA] has put out a report saying that meat supplies are down in the Soviet Union. Do you have any concrete evidence that this has caused any unrest in the Soviet Union?

**ANSWER:** There are press accounts of labor unrest and strikes and strife. We know from our own survey of Russian-published numbers that milk production is down and that other meats are down similarly. And that . . . is made worse by the fact that they had promised an increase in meat production. They have made quite a thing about increasing the production of livestock and livestock products. And not

only will they not be able to meet . . . those promises, but they will be .  
. . short of last year's numbers.

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